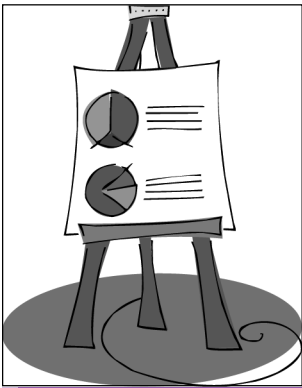


ECEAP Edition

Volume 1, Issue 11 – December 2000

"A monthly update for family and friends of preschoolers in Washington State"



New Census Data on Child Care

by Carol Rediske-Mudd, Children's Services

The U.S. Census Bureau has just released a new study, "Who's Minding the Kids? Child Care Arrangements," that profiles data from 1995. Here are some highlights:

- ◆ 14.4 million of the 19.3 million children under 5 were in some form of regular child care arrangement during a typical week; this includes 9.3 million children who were in non-relative care (a child care center, preschool, or family child care provider).
- ◆ Preschool children with employed parents or parents in school averaged 2.2 arrangements per week.
- ◆ About 8.5 million children were cared for in multiple arrangements.
- ◆ Fifty percent of preschoolers were cared for by a relative, with grandparents being the single most frequently mentioned care provider (30 percent).
- ◆ Forty-nine percent of children under 5 were cared for by nonrelatives, with 30 percent in an organized facility, which includes day care centers, nursery or preschools, Head Start programs, and kindergarten.

"Families in poverty spent 35% of their income on child care."

- ◆ Children with parents in work or school spent an average of 35 hours a week in care.
- ◆ Approximately 7 million, or 18 percent, of the 38.2 million children ages 5 to 14 were in self care on a regular basis. Children in families with higher incomes were more likely to begin self care. Yet children with higher income were also much more likely to participate in enrichment activities such as sports, lessons, or clubs. Less than a quarter of low-income children were participating in these types of activities, compared with over half of their higher income peers.
- ◆ Families with working mothers making payments for child care paid an average of \$85 per week.
- ◆ Poor families (incomes below the poverty level) who paid for care spent over one-third of their income (35 percent) on child care, versus 7 percent for non-poor families.

For a copy of the report, as well as detailed data tables, visit: <http://www.census.gov/population/www/socdemo/childcare.html>. Other reports and data from previous years are also available at the link above. ◆

Online Fundraising Opportunity

by Garrison Kurtz, Children's Services

Over the past several years, many internet shopping sites have sprung up that allow shoppers to have part of their purchase price go towards donations to a specified charity. One such site showcased at the November NAEYC conference was Child Care Rewards. Purchases through this site rebate up to 20% of the purchase price to the designated organization. Programs using the site would need to address accounting issues related to receipt

of such funds, as well as consider their policy about consumerism/commercialism in their program. However, sites such as this provide an opportunity for family members and friends from anywhere in the world to support local programs through their regular purchases. OCD does not endorse this or any specific commercial site, but you might want to review it or others like it. This site can be accessed at <http://www.childcarerewards.com>. ◆

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compliance, collaboration and growth in
communities which provide successful early
childhood education and family services."

Child Care Facility Loans Available

by Laurie Bahr, Children's Services

Recently, I had an opportunity to interview Gail Gosney, Employer Liaison with the Child Care Advantages Program at the Office of Trade and Economic Development, about loans available for child care facilities:

Laurie: How many different types of loans are available to child care providers?

Gail: There are basically four types of construction financing for new construction or remodeling of child care facilities.

Child Care Micro Loans are for providers in most counties of the state, except Clallam, Jefferson, Grays Harbor, Mason, Pacific, Lewis, Wahkiakum, Cowlitz, Clark, Skamania, Okanogan, Chelan, Douglas, Yakima, Whitman, Garfield and Asotin. Loans of up to \$5,000 are available for family childcare homes and up to \$25,000 for centers. Interest rates range from 5%-8%. Providers in the "non-covered counties" may be able to access below market rates loans from Cascadia Revolving Loan fund by calling (206) 447-9226.

Small Business Administration Loans are available from some local banks, usually with a slightly lower interest rate than commercial loans.

Commercial Bank Loans are usually for large projects and charge interest at prime rate + 2%.

Child Care Facility Fund Loans are for capital improvements or construction up to \$100,000 at 5% interest for employer-supported child care facilities only.

Laurie: Can you explain the advantages of each?

Gail: **Child Care Micro Loans** are available for smaller projects at a lower interest rate than commercial loans and are tailored specifically for child care businesses.

Small Business Administration Loans usually don't require quite as much collateral as commercial loans and may have slightly lower interest rates.

Commercial Bank Loans can be useful for very large projects when large amounts of financing are required.

Child Care Facility Fund Loans have low interest rates, flexible terms, are tailored for childcare projects, and give incentives to employers to support child care costs for their employees.

Laurie: What are the disadvantages to each?

Gail: **Child Care Micro Loans** are available in only 20 counties in Washington with limits to the amount of loan money available. They cannot be used to purchase land or buildings.

Small Business Administration Loans require lots of paperwork. Interest rates are higher than with micro loans.

Commercial Bank Loans are offered at the going commercial interest rate. They require a high amount of collateral, and involve working with a commercial lending bank that may not understand child care businesses.

Child Care Facility Fund Loans are restricted to projects that involve businesses wishing to provide on-site or near-site child care facilities for their employees.

Laurie: What other types of assistance are available on the local and federal level?

Gail: **Local Level** - Some grants are available for specific populations, like infant-toddler, before/after school, special needs, etc. These grant programs come and go and are not consistently available in all counties throughout the state. Community Development Block Grant funding may be available for public child care facilities if they are a community designated priority project.

Federal level - USDA Rural Community Funds are for communities of less than 20,000 residents.

Laurie: Can you explain all of the steps a child care provider must take in securing a loan?

Gail: There are eight steps:

1. Determine the project size, scope, and cost.
2. Write up a business plan.
3. Make sure your credit is fairly good.
4. Make sure you have some form of available collateral.
5. Have plans for how you will repay the loan and make sure you include debt repayment in your cash flow projections for your child care business.
6. Determine the best place to go for financing to meet your needs or qualifications.
7. Ask for support from your local Child Care Resource and Referral (CCR&R) agency.
8. Have lots of patience, support, and faith and hang in there - be persistent. *continued*



Laurie: Do you have any advice to give?

Gail: Work with your local CCR&R agency and the local child care licensor in developing your project proposal. Make sure there is a demand for child care before beginning a facility development plan. Make sure you have a business plan before seeking a loan. Banks, local Small Business Development Centers, and local Economic Development Councils can help you design your business plan.

Laurie: What are common mistakes? How can they be avoided?

Gail: 1. No clear business plan. Develop one.

2. No understanding of true demand for child care in the geographic location. Use CCR&R to help determine supply and demand for child care.

3. No true picture of projected cash flow for the first year that truly depicts projected revenue and expenses including debt repayment. Use advisors like accountants and CCR&R staff.

For more information, contact Gail Gosney at 360-725-4034 or gailg@cted.wa.gov. ♦

NEW WASHINGTON CONSUMER INFORMATION WEBSITE

"Find-It! Consumer" is a new service from the Washington State Library that searches state and national websites for information about consumer safety and protection. It offers searching by keyword and topic, plus consumer alerts, tips, and Washington State-specific information on everything from junk mail to the "lemon law". Check it out today at <http://finditconsumer.wa.gov>.

Higher Education Assistance

by Joyce Beebe, Children's Services

Afraid that you won't be able to afford college because of the high cost? Now you can pay tomorrow's college tuition at today's prices with the Guaranteed Education Tuition (GET) Program. The program is simple, affordable, and understandable so all persons who want to participate can do so. Purchasing tuition units at today's price not only guarantees that the beneficiary has the necessary funds to attend college, but the purchaser saves money against the rising cost of a higher education.

Key Features of the GET Program include:

- ♦ **Friends and family can contribute.** Anyone can contribute to your child's account: grandparents, friends, even your child.
- ♦ **Purchase is flexible.** You can save through a GET account however you like – all at once, or in small contributions over time. You can even set up automatic withdrawals so you never have to remember to write a check.
- ♦ **Units can be used at public or private institutions, in-state or out-of-state.** The student beneficiary may attend any eligible public or private university, college, or trade school in any state. You do not need to choose a school at the time of enrollment.

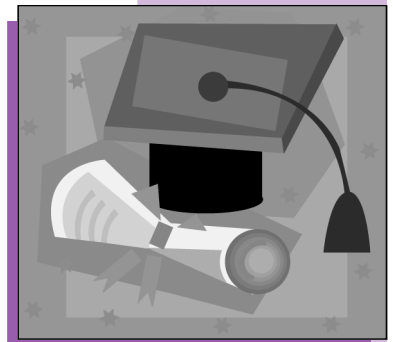
♦ **Units are transferable.** If the named student beneficiary chooses not to use the tuition units, you may transfer the GET account to another family member, even to yourself, or you may request a refund.

♦ **It's easy to enroll.** Enroll by calling the toll-free number, 1-877-GET-8848, visiting the website at <http://www.get.wa.gov>, or by filling out an application and mailing it to GET.

♦ **The program is guaranteed by the State of Washington.** The State of Washington guarantees that when your student beneficiary enrolls in college, he or she will receive the same number of tuition units as the amount purchased.

To open an account you pay a one-time \$50 non-refundable application fee, and you must purchase at least one tuition unit or make your first monthly payment on a Customized Monthly Payment Plan. At this time, GET is not able to reduce or completely waive the required fee, but they expect to revisit this by next fall.

Higher education is more accessible thanks to GET. Start planning for your future today! ♦



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Free Websites for Non-Profits

by Joyce Deshaye and Michael Zimmerman, Children's Services

In today's world, having a website is no longer a luxury you can't afford. Even a basic website can act as a valuable public relations tool that informs people about what you have to offer. According to an August 2000 Media Matrix report, low-income households are the fastest-growing group of new Internet users. Promoting your local ECEAP programs on the Internet can reach families as well as your larger community in a relevant, cost effective manner.

There are many free (that's right, FREE) website creation and hosting services that make the process of developing and maintaining a website relatively painless through the use of predesigned templates and automated content wizards. The trade off for free service is advertisements placed by the hosting company on your new website, typically across the top in banner form. Depending on the service provider, you may be able to specify a category of ads that would be appropriate to your site, such as "education."

Programs will need to decide how they feel about the acceptance of ads in exchange for free website hosting. You might try setting up a basic page but not publicizing it for a few weeks so you can test the appropriateness of the ads and get a feel for how to work with and update your new website. Search for "Free website hosting" online or check out some of the national services

like <http://www.tripod.lycos.com/>, <http://msnhomepages.talkcity.com>, and <http://geocities.yahoo.com/home/>. OCD does not endorse these or any specific commercial sites.

In Washington, the King 5 HomeTeam Community kicked off a new program last month to offer free web sites to Puget Sound area non-profit organizations.

What they are offering: A free site that can be customized to your needs. Chat rooms, photo galleries, message boards, and calendars are among the many incentives included with their offer.

What you need to know: Good News! No, you do not need to be an HTML programmer. If you have two hours to learn their software and know how to type, you're pretty much on your way to becoming your own webmaster.

Advantages: This service is easy-to-use for beginners and gets your presence on the world wide web. It walks you through step-by-step on how to post materials to the web.

Drawbacks: The HomeTeam Community Banner is the top banner of the web page and other advertisements are added throughout your web page. It does not allow for a whole lot of creativity. For the most part, you will need to follow the pre-designed template.

To learn more about this offer, check out the King 5 HomeTeam Community web site at <http://www.hometeamcommunity.com>. ♦

Farmers Market Nutrition Program

by Becky Waite, Department of Health

The WIC Farmers Market Nutrition Program (FMNP) provides \$2 checks to WIC families to be exchanged for fresh fruit and vegetables at WIC- authorized farmers markets across the state. Once growers receive these checks, they are validated by the market manager and the growers deposit or cash them at their local bank. WIC families receive nutrition education from local WIC clinic staff and growers on how to select and prepare fruits and vegetables.

The FMNP supports the Washington State Department of Health (DOH) priorities of promoting healthy life styles of families and the prevention

and reduction of chronic diseases. By promoting the increased consumption of fresh fruits and vegetables, the FMNP reinforces the beliefs, skills, and attitudes of individuals, and strengthens community norms, which are conducive to good individual and community health. Nutrition education provided by the WIC clinic staff to WIC clients includes not only the importance of fruits and vegetables as a part of a healthy diet, but builds skills in selection, preparation, and handling of foods most likely to be missing in the American diet. For more information, call the DOH WIC program at 360-236-3640. ♦



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